

GOVERNMENT OF TELANGANA  
ABSTRACT

Civil Supplies – Policy for procurement of Paddy – Kharif Marketing Season 2016-17 – Orders – Issued.

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CONSUMER AFFAIRS, FOOD AND CIVIL SUPPLIES (CS.I-CCS) DEPARTMENT

G.O.MS.No. 40

Dated: 14-10-2016

Read the following:

1. G.O.Ms.No. 17 CA, F & CS (CS.I-CCS) Dept., Dated 16.10.2015.
2. Memo No.118/CS.I-CCS/2016, CA, F&CS (CS.I) Dept., Dated 05.03.2016.
3. Lr.No.4(4)/2015-Py.I, dt.09.06.2016 of the Under Secretary to Govt. of India, Ministry of Consumer Affairs, Food & Public Distribution, Dept. of Food & Public Distribution, Krishi Bhavan, New Delhi
4. CCS Ref.No. PI(1)/1080/2016, Dt: 17.09.2016.

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**ORDER:**

1. In the G.O. first read above, Government issued policy guidelines for procurement of paddy in KMS 2015-16.

2. In the reference second read above, the Government issued further guidelines for procurement of paddy from Rabi season of KMS 2015-16.

3. In view of zero mill levy from KMS 2015-16, it becomes necessary for the State Government to make arrangements for procurement of about 50.00 lakh MT of paddy in KMS 2016-17 (about 30.00 lakh MT in Kharif and 20.00 lakh MT in Rabi). This is only a tentative indication and if more paddy arrives into the purchase centres, it shall be accepted by the Purchase centres, without limiting it to the tentative target indicated. The paddy thus procured shall be got custom milled, utilized for PDS as per the allotment from central pool by the Government of India and make available boiled rice to the FCI.

4. Government after careful consideration of the above, order the following:

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| 4(I)   | MSP for paddy for KMS 2016-17 is Rs.1,510 per quintal for Grade-A and Rs.1,470 per quintal for Common.  |
| 4(II)  | Paddy purchases from the farmers at MSP shall be made by the Telangana State Civil Supplies Corporation through IKP, PACS, DCMS etc.  |
| 4(III) | Wide publicity shall be given about the MSP, specifications of paddy, need to bring paddy of specifications to avoid rejection, location of purchase centres etc., for information of the farmers.  |
| 4(IV)  | Joint Collectors shall, well in advance of the season assess the likely production in the area and accordingly identify the purchase centres for locating them. Purchase centres should be located at a convenient place to facilitate farmers to come and deliver the paddy. |
| 4(V)   | Purchase centres shall be got opened by the IKP, PACS, DCMS etc., based on the harvesting and arrival of paddy in the district/locality.  |

- 4(VI) In case any of the groups does not come forward, alternative arrangements for utilizing the services of Markfed and also by inducting any other cooperative societies shall be considered subject to their capability in handling MSP operations.
- 4(VII) Each paddy purchase centre to be tagged to a Civil Supplies /Revenue official, who shall validate and certify the transactions pertaining to paddy procurement – at PPC, paddy transportation and paddy receipt at mill. For this purpose an officer not below the rank of a Dy. Tahsildar may be appointed as Validation Officer by the Joint Collector.
- 4(VIII) The system of miller's representative's to sign may be continued. If miller's representative is not present at paddy purchase Centers to give on-the-spot millers acknowledgement, the Validation Officer shall certify the transaction at Paddy Purchase Centre, Transport and receipt in the mill.
- 4(IX) Agreement to be entered into with Paddy Purchase Centres, duly counter signed by the respective administrative heads governing them (DRDA, PACS, GCC etc.).
- 4(X) Paddy Purchase Centres Agreement shall clearly state that shortage due to any reason shall be adjusted against the commission payable to PPC agencies, appropriate clauses to be incorporated to cover the case of shortage exceeding the commission payable.
- 4(XI) MoU also to be entered into with Departments /Organisations having control over the procurement Agencies (PD, DRDA, DCO, GCC etc).
- 4(XII) Paddy action Plans, which includes the finalized list of PPC agencies, prepared by DMs to be finalized latest by March for Rabi and September for Kharif and imparting of training to be completed by September for Kharif and March for Rabi, in all respects.
- 4(XIII) All agencies involved in paddy procurement shall mandatorily have 5 functionaries at their PPCs with specific job charts, as is the case with IKP / SHGs.
- 4(XIV) Since e-accounting is contemplated, each purchase centre should have a desk top/tablet along with a printer. In respect of purchase centres who do not have desk top/tablet and printer, such centres would be provided with tablet and printer, the cost of which will be recovered from them from the bills payable in easy installments during Kharif Marketing season 2016-17.
- 4(XV) Purchase centres should take action to provide the required basic facilities like shelter, drinking water, wash room etc.
- 4(XVI) If the facilities are not provided by the groups like IKP etc. at purchase centres, such facilities will be provided by the Civil Supplies Corporation and the expenditure will be deducted from the commission bills payable to them in easy instalments.

- 4(XVII) Necessary equipment like paddy cleaners, winnowing machines, moisture meters, sieves, tarpaulins etc. should be positioned in the purchase centres.
- 4(XVIII) Required number of gunnies etc., shall be available at the purchase centres.
- 4(XIX) To explore the possibility of integrating the Paddy IT application with 'webland' for verification of farmer land details.
- 4(XX) The possibility of reimbursing Hamali expenses directly to farmers instead of through Paddy Purchase Centres agencies may be explored.
- 4(XXI) Uploading of data fed in excel sheets needs to be considered for capturing the data of paddy shifting from paddy PCs to mills, gunny utilization etc. to avoid delay and mistakes in data entry and ensure early updation of the transactions. The data in excel sheets may be auto fed into relevant fields in the IT application using algorithm.
- 4(XXII) IFSC codes of all branches of all banks in the State to be auto populated by the IT application. The same to be acquired from RBI/SLBC.
- 4(XXIII) The number of digits of bank account number to be fixed for each bank; application to disallow the entry of account numbers with digits less than or more than the fixed number of digits. Provision to be made for account numbers with alphabets, numbers and special characters.
- 4(XXIV) Data base of all the farmers, along with their Bank accounts, should be obtained and pre-populated at the purchase centre.
- 4(XXV) If any farmer does not have any bank account, he shall be advised to get the Bank account opened immediately.
- 4(XXVI) Payment of value of paddy at MSP shall be done on line to the Bank account of the farmer within 48 hours from the time of receipt of the stocks.
- 4(XXVII) To explore the possibility of online MSP payment directly from the SBI Cash Credit account to farmers account, instead of through intermediary district accounts. This would reduce the complexity as well the time involved in online MSP payment process.
- 4(XXVIII) The paddy which conforms to the uniform specifications prescribed by the Government of India as communicated vide reference fourth read above and offered by the farmers at the purchase centres, shall be accepted without any rejection.
- 4(XXIX) There shall be electronic queuing at the purchase centres so that the paddy is accepted on first come first serve basis. In case for any reason e-queuing is not possible, manual queuing may be followed scrupulously.

- 4(XXX) In order to ensure smooth disposal of paddy without waiting for long, it may be ensured that schedule for bringing paddy from the villages to the paddy purchase centres may be communicated well in advance.
- 4(XXXI) Quality check of the paddy at the purchase centre will be done by the Technical Staff of the Civil Supplies Corporation. Check will also be done by a third party to be nominated by the Govt.
- 4(XXXII) One representative of the rice miller to whom paddy would be handed over for custom milling will be present at the purchase centre so as to verify whether the quality is of specifications.
- 4(XXXIII) If any paddy not conforming to specifications is accepted at the purchase centre, the in-charge of the purchase centre shall be held responsible.
- 4(XXXIV) Paddy stocks should be delivered to the rice mill by the District Civil Supply Officer concerned strictly based on the milling capacity of the rice miller. Under any circumstances, paddy shall not be allotted to any of the rice mills in excess of the milling capacity.
- 4(XXXV) Paddy for custom milling shall not be delivered to mills which have defaulted in the previous years.
- 4(XXXVI) The millers shall be required to produce a minimum of 25% of the value of the paddy delivered to them for custom milling as bank guarantee. The remaining shall be in the form of collateral security.
- 4(XXXVII) After receipt of paddy, it shall be moved to the rice mills attached to the centres without loss of time.
- 4(XXXVIII) In case of any inevitable delay for transporting to rice mills, the stock should be preserved by creating temporary open storage duly following the norms for such storage. As far as possible, stocks of paddy should be moved to the mills immediately after receipt.
- 4(XXXIX) Civil Supplies Corporation shall enter into an agreement with the Rice Millers for doing custom milling of paddy and shall be responsible for strictly adhering to the conditions of the agreement without giving scope for any flouting of the agreement.
- 4(XL) Rice Millers shall be required to maintain separate account for paddy received, rice and other by-products derived, rice delivered under custom milling category.
- 4(XLI) Rice millers who divert paddy stocks delivered for custom milling or indulge in purchasing raw rice of PDS clandestinely and attempting to deliver under CMR category shall be blacklisted and/or proceeded against as per the Telangana Rice (Custom Milling) Order, 2015 and also under criminal laws. This shall be included in the agreement.
- 4(XLII) In the agreement it shall be made clear that the millers shall not hypothecate the stocks of paddy belonging to the Govt. Agency for their personal/business bank loans.

- 4(XLIII) During the period the millers hold the paddy of Govt. Agency for CMR, they should not dispose of their movable property without the knowledge of the Govt. Agency, to the extent of value of paddy held by them under CMR. This may be incorporated in the agreement.
- 4(XLIV) Civil Supplies Corporation shall be required to take every care for proper accounting of the paddy delivered, rice to be received etc.
- 4(XLV) The DCSOs and DMs under the guidance of the Joint Collector shall ensure that the custom milled rice for the paddy given to the rice miller (out turn being 67% for raw rice and 68% for boiled rice) is delivered by the rice miller strictly adhering to the time schedule for delivery of custom milled rice.
- 4(XLVI) Custom milled raw rice shall be delivered at the MLS points/godowns specified by the Civil Supplies Corporation. Boiled rice shall be delivered at the FCI godowns.
- 4(XLVII) On delivery of the custom milled rice, the millers shall be paid the milling charges etc. as per the agreement.
- 4(XLVIII) Any failure to deliver rice for the paddy taken for custom milling, the rice miller concerned shall be liable for action under the EC Act and Criminal Laws.
- 4(XLIX) Civil Supplies Corporation shall maintain proper accounting of every transaction right from paddy purchase till acceptance of rice under CMR and any laxity on the part of any official would be viewed seriously and deterrent action would be taken against such officials.
- 4(L) The District Civil Supply Officers shall strictly follow the provisions of the Telangana Rice (Custom Milling) Order, 2015 and the instructions of the Government issued from time to time.
- 4(LI) The VC & Managing Director, TSCSCL shall ensure that the District Managers of the Civil Supplies Corporation strictly follow the instructions of the Government and take action as per the terms and conditions of the agreement entered into by them with the rice millers.

5. The Commissioner of Civil Supplies shall review from time to time the progress of the purchases of paddy, milling and delivery of CMR rice and issue appropriate instructions pertaining to paddy procurement and CMR delivery.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

C.V.ANAND  
EX-OFFICIO PRL. SECRETARY TO GOVERNMENT

To  
The Commissioner of Civil Supplies, Hyderabad.  
The VC & Managing Director, Telangana State Civil Supplies Corporation Ltd., Hyderabad.

(PTO)

All Collectors/All Joint Collectors/All District Supply Officers/All District Managers of Civil Supplies Corporation, Telangana  
The CEO, SERP, Telangana, Hyderabad.  
The Commissioner and Registrar, Coop. Department, Telangana, Hyderabad.  
The Director of Agriculture Marketing Dept., Telangana, Hyderabad.  
The GM, FCI, Hyderabad.  
Copy to the Secretary to Government of India, Department of Food and Public Distribution, Hyderabad.

//FORWARDED::BY ORDER//

SECTION OFFICER